Supreme Court, U.S.
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No._____

In The

Supreme Court of the United States

October Term, 1998

JOSEPH D. JONES,

Petitioner,

vs.

FEDERAL COMMUNICATIONS COMMISSION,

Respondent,

Petition for Writ Of Certiorari
To The United States Court Of Appeal
For The District of Columbia

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Whether the U. S. Court of Appeals violated the Due Process provisions of the Fifth and Fourteenth Amendments of the U. S. Constitution when the lower court dismissed an appeal because an appellant questioned whether the Federal Communications Commission (hereinafter referred to as "Commission") has the authority to withhold from the Certified Index To The Record On Appeal documents filed with the Commission which were related to a pending petition to deny which was timely filed with the Commission.

Whether the Commission has the authority to dismiss a petition to deny in violation of the due process provision of the Fifth and Fourteenth Amendments, 47 CFR section 73.3588(c)(2), 5 U.S.C. Section 2(B) and 5 U.S.C. Section 706(1),(2)(A)(C)(D).

Whether the court below correctly interpreted 47 CFR section 73.3588(c)(2), 5 U.S.C. Section 2(B), 5 U.S.C. Section 706(1),(2)(A),(C),(D), due process requirements of the Fifth and Fourteenth Amendments of the Constitution of the United States or United States Supreme Court case law.

PARTIES TO PROCEEDING

1) Federal Communications Commission
2) KOLA, Inc., and Frederick R. Cote
3) Ray M. Stanfield, Receiver
4) Inland Empire Broadcasting, Inc., etal

OTHER ENTITIES THAT MAY SEEK PARTY STATUS

5. National Association For The Advancement Of Colored People
6. American Civil Liberties Union Foundation
7. Center For Constitutional Rights
8. U.S. Department Of Justice Civil Rights Division
9. NAACP Legal Defense & Educational Fund, Inc.
10. National Lawyer's Committee For Civil Rights
11. National Lawyers' Guild
12. Washington Lawyers' Committee For Civil Rights

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ORDERS BELOW

In reverse order, an order of the Court of Appeals was filed on June 24, 1998, which appear as Appendix A-1. On April 9, 1998, an order of the Court of Appeals was filed, which appear as Appendix A-2. On December 24, 1997, and appearing herein as Appendix A-3, the Court of Appeals filed an order in response to Petitioner's Motion For Reconsideration of a September 5, 1997 order. An order of the Court of Appeals was filed on September 5, 1997, and appear herein as Appendix A-4. On May 22, 1997, the Court of Appeals filed an order. Appendix A-5./[1] On August 28, 1996, the court below filed an order dismissing a case which is connected to the instant case. Appendix B-1, petition for rehearing denied. Appendix B-2. On October 28, 1996, the Commission filed a Memorandum Opinion and Order. Appendix C-1.

JURISDICTION

The order of the United States Court of Appeal for the District of Columbia Circuit in

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After the Commission failed to respond to an earlier motion which was filed by titioner, the court below issued an order in which it granted the Commission ditional time in which to "... file a supplemental response..." Appendix A-5.

this matter was filed on April 9, 1998. Petitioner filed a timely Motion For Rehearing on May 26, 1998. A petition for writ of certiorari is timely filed within (90) days of the date of the denial of the Motion For Rehearing. The petition was returned for corrections by the Clerk of the Supreme Court on October 29, 1998. The Court's jurisdiction is invoked pursuant to 28 USC Sect. 1254(1).

STATUTES INVOLVED

This petition present questions concerning a violation by the court below of the due process requirements of the Fifth and Fourteenth Amendments of the Constitution, a violation by the court below and by the Federal Communications Commission of 309(a) and 309(d)(1) of the Communications Act of 1934 as amended, 5 U.S.C. Section 2(B) and 5 U.S.C. Section 706(1),(2)(A)(C)(D).

STATEMENT OF THE CASE

This petition arises from a final order (Appendix A-2)/[2] by the U. S. Court of Appeals

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[2]/ On June 24, 1998, the U. S. Court of Appeals District of Columbia Circuit denied Petitioner's application for rehearing which was filed on May 26, 1998 (Appendix A-1).

District of Columbia Circuit which denied Petitioner the right to prefect his appeal because Petitioner filed a petition for writ of certiorari with this Court which questioned the denial by the lower court of Petitioner's motion to augment the record on appeal. Previously, on November 13, 1995, Petitioner filed the first appeal with the lower court. On August 28, 1996, the lower court dismissed that appeal as untimely "Because Petitioner [had] not obtained a final order from the Commission..." See Appendix B-1 and B-2.

In December, 1996, Petitioner filed the current appeal and a petition for review in the U. S. Court of Appeals. That appeal sought reversal of a decision by the Commission which granted the transfer of license to operate a radio station (KOLA-FM, San Bernardino, California) from a convicted murderer currently serving a 25 year life sentence, one Frederick R. Cote, president of KOLA, Inc., to Inland Empire Broadcasting, another questionable licensee.

On June 23, 1997, Petitioner filed with the court below a Motion to Compel Production [by the Commission] of Additional Documents." The documents were filed by Petitioner with

the Commission during the period between October 23, 1992 to July 23, 1994.

The court below denied that motion on September 5, 1997. See Appendix A-3.

Petitioner begin to file documents with the Federal Communications Commission in this matter when, on September 21, 1992, an application for consent to assignment of license (hereinafter referred to as "Application") was filed with the Commission requesting approval for the transfer of license to operate KOLA-FM, San Bernardino, California from the assignor KOLA, Inc., to the assignee SBR Broadcasting Corporation (hereinafter referred to as "SBR")/[3]. Petitioner filed a petition to deny that application on October 23, 1992.

Between the period October 23, 199^ to July 1, 1994, Petitioner filed with the Commission a petition to deny (hereinafter referred to as "Petition") and over 60 supporting documents and exhibits which were related to the requested denial of the

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[1]/ The parent company of SBR is Anaheim Broadcasting Corporation (hereinafter referred to as "Anaheim"). Anaheim is also the parent company of Inland Empire Broadcasting Corporation (hereinafter referred to as "Inland Empire").

Application./[4] All documents contained verified specific allegations of facts sufficient to show that retention or transfer of license by the licensee would be inconsistent with the public interest./[5]

The Petition asserted, in part, that Frederick R. Cote, the 100% shareholder of the former licensee for KOLA-FM, KOLA, Inc., and the assignee SBR, were in violation of a number of Commission rules and policies. The principal allegations were as follows:

1) Mr. Cote was charged with murder and 4 other felonies in Riverside, California. Mr. Cote planned all of the acts while on the premises of KOLA-FM,/[6] 2) as the 100% shareholder of the licensee, Mr. Cote abandoned the license to operate KOLA-FM, 3)

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[4]/ Petitioner filed petitions to deny subsequent applications for transfer of license to operate KOLA-FM and KMET-AM out of an abundance of caution. The application for assignment of KOLA-FM (BALH 940706GP) involved applicants with the same interest as the original Application (BALH 920921HJ).

[5]/ The documents submitted to support the allegations asserted in the Petition of October 23, 1992, differ in some respects from subsequent petitions to deny.

[6]/ Mr. Cote was convicted on July 11, 1994. He received a 25 years to life sentence without the possibility of parole on November 30, 1994. On March 9, 1993, Petitioner filed with the Commission a document from the District Attorney's office of Riverside County California. That document indicated that in 1978, during the time that he was a Commission licensee, Mr. Cote was charged with some of the same crimes for which he received the July 11, 1994 conviction.

there was a premature transfer of control and a perfected security interest in the license to operate KOLA-FM, 4) both applicants were guilty of filing fraudulent applications with the Commission.

Notwithstanding Commission rules and case law precedent, at no time did the Commission respond to, address, or, for that matter, even acknowledge that there were any documents filed by Petitioner during the period between October 23, 1992 to July 1, 1994. The only passing references to the Petition itself was contained in a July 27, 1994, Commission staff's letter (hereinafter referred to as "Letter Order")/[7] and the subsequent Memorandum Order and Order, FCC 96-372 (hereinafter referred to as "MO&O"), which was released by the Commission on October 25, 1996./[8] See Appendix C-1.

Pursuant to 47 C.F.R. Section 73.3584 and in accordance with *Section 309(d)(1) of the Communications Act of 1934, as amended,*

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[7]/ The inappropriate non-final Letter Order of July 27, 1994, which attempted to connect BALH 920921HJ to subsequently filed applications violated the intent and purpose of this Court's ruling in *Astroline Communications Co. v. F.C.C., 857 F.2d 115 (D.C.Cir. 1988).* See 47 C.F.R. Section 73.3588(c)(2).

[8]/ Appendix C-1, p. 2 at 2, p. 5 at n. 8, 9.

Petitioner filed the Petition which contained specific allegations of fact sufficient to show that a grant of the application would be prima facie inconsistent with the public interest, convenience, and necessity. Section 309(a) required the Commission to conduct an evidentiary hearing to aid the Commission in furthering its mandate to promote the public interest./[9]

The Commission abridged its mandated responsibility with respect to Sections 309(a) and 309(d)(1) of the Communications Act as to the Application and the Petition. See also *Astroline Communications Co. v. F.C.C., supra.*

Moreover, the Commission released rulings that were in conflict with the Commission's own rules. Two such rules involving conflicts were 47 C.F.R. Section 73.3518 and 47 C.F.R. Section 73.3538(c)(2).

47 C. F. R. Section 73.3518.

The rule is abundantly clear: "While an application is pending and undecided no subsequent inconsistent or conflicting application[s] may be filed by or on behalf of or for the benefit of the same applicant,

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[9]/ The California state court recognized the particularly heinous nature of the crimes of Mr. Cote when it pronounced sentence.

successor or assignee." 47 C.F.R. Section 73.3518.

On May 13, 1994, the receiver Ray M. Stanfield (hereinafter referred to as "Receiver")/[10] filed with the Commission an application for assignment of license on FCC form 316/[11] (BALH 940513EA./[12] The Commission incorrectly granted the request on June 21, 1994. Petitioner filed with the Commission a petition for reconsideration./[13]

On or about July 6, 1994, staff improperly accepted an application for assignment of license for the Receiver to transfer the license to operate KOLA-FM to Inland Empire (BALH 940706GP) prior to

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[10]/ The Ex parte Appointment of the receiver (which formed a part of FCC form 316 was ordered by the Superior Court County of San Francisco at the request of Anaheim and KOLA, Inc., on April 21, 1994.

[11]/ Mr. Cote's trial started on May 18, 1994. The Commission issued the grant of license to the Receiver on June 21, 1994. Mr. Cote was convicted on July 11, 1994.

[12]/ Mr. Cote also altered his position from one apparently intent on defrauding creditors to one willing to have a receiver appointed in order to circumvent the Petition.

[13]/ The Commission's ruling, p. 6 at 10 of the MO&0 was incorrect with respect to the Petition For Reconsideration. The earliest possible time to file a petition in cases involving an involuntary transfer of control is after the grant of license by the Commission. Commission Rules 47 C.F.R. Sections 73.3584(a), 73.3540(b), 73.3541 and 70.3580(a)(2). There is no local public notice requirement.

resolving the allegations which were previously asserted by Petitioner in the Petition against the former Application (BALH 920921HJ)./[14] Inland Empire, a shell corporation, was an entity created by Mr. Sullivan as another subsidiary (in addition to SBR) of Anaheim.

The Receiver represented the exclusive interest of the former assignor/assignee, KOLA, Inc./SBR./[15] Petitioner also filed a petition to deny the application for assignment./[16]

1992 Petition/47 C.F.R Section 73.3588(c)(2).

The staff of the Mass Media Bureau of the Commission issued the Letter Ruling of July

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[14]/ Commission rule 47 C.F.R. Section 73.3588(c)(2) required the Commission to address the Petition. See also *Astroline Communications Co. v. F.C.C., supra.* In addition, it is normal Commission policy to withhold "Further action on [an] application .... pending resolution [of a] proceeding." *Contemporary Media, Inc. FCC-410 (FCC MM Docket No. 95-154).*

[15]/ The entire exercise by the applicants was designed to circumvent the valid Petition of October 23, 1992. Petitioner advised the Commission in the newly filed petitions to deny and subsequent filings of the Commission's lapse with respect to the previously filed Petition.

[16]/ On July 23, 1994, in the Petition To Deny at p. 3, Petitioner informed the Commission of the conflicting applications.

27, 1994, which incorrectly accepted 2 additional applications for assignment.

"Whenever a petition to deny ....has been filed against any application....[a] petition shall be deemed to be pending before the Commission from the time a petition is filed with the Commission until an order of the Commission granting or denying the petition is no longer subject to reconsideration by the Commission or to review by any court." 47 C.F.R. Section 73.3588(c)(2).

On June 7, 1995, some 11 months following the filing of the new application for assignment (BALH 940706GP), Inland Empire attempted to revise that application. Nevertheless, the ownership interest remained the same.

Those documents included a late filed security agreement, a stock pledge agreement and collateral assignment of leases./[17]

On or about December 12, 1994, the Receiver filed an application for assignment of license to operate KMET-AM from the

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[17]/ The Commission refused to accept for filing or consideration any documents from Petitioner that were considered by the Commission to be late filed. Some documents were filed within 48 hours of the due date. See Appendix C-4, p. 2 at n. 2, 3.

Receiver for KOLA, Inc., to JR Broadcasting Partners (BALH 941212EA)./[18] The Commission did not withhold acceptance or action on this application as required. 47 C.F.R. Section 73.3588 (c)(2). On January 30, 1995, out of an abundance of caution Petitioner filed a petition to deny that application. Subsequently, the Receiver filed a request with the Commission to dismiss the application for assignment which the Commission granted.

On or about July 5, 1995, the Receiver filed another application for assignment of license to operate KMET-AM to Robeson-Suttles Broadcasting, Inc. (BAL 950705EA). The Commission failed to consider the pending Petition and the allegations contained therein once again.

The Commission acted on the newly filed petitions to deny only after the collective applicants, after a series of misfires (including the dismissal of 2 defective

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[18]/ The Commission failed to include documents contained in BALH 941212EA as part of the "Certified List of Items in the Record" which was filed with the Court by the Commission on or about June 6, 1997. In the "Notice of Petition For Review" and the "Statement Of Issues To Be Raised On Appeal," para. 2, Petitioner specifically requested the records of BALH 941212EA to be included.

applications for assignment), were able to file new applications.

The newly submitted applications to the contrary, the Petition of October 23, 1992, was never granted or denied by the Commission as required by 47 C.F.R. Section 73.3588(c)(2) of the Commission rules.

Moreover, Section 309(d) of the Communications Act required the Commission to follow a step by step procedure with respect to BALH 920921HJ in order to determine if a hearing was called for. See also *Astroline Communications Co. v. F.C.C., supra*. If after a hearing the Commission found that it was not in the public interest to permit the licensee to retain the grant of license, there would not have been a license to assign.

"It is the recognized policy of the Commission that assignment of broadcast authorization will not be considered until the Commission has determined that the assignor has not forfeited the authorization. *Jefferson Radio Company v. F.C.C., 340 F.2d 781 (1964).*

Second Thursday Policy.

As a limited exception to the *Jefferson Radio Policy* under the *Second Thursday*

Policy/[19] the Commission will, in the public interest, "forgive" the transgressions of a wrongdoer (in bankruptcy or receivership) and permit the transfer of license of a broadcast facility provided the wrongdoer receives little or no benefit from the sale of the license. Or, the wrongdoer will receiver only minor benefit which is outweighed by equities in favor of innocent creditors./[20]

Application of *Second Thursday* was procedurally not correct in the instant case. *Jefferson Radio Policy, supra*. The Commission must address the Petition and the allegations previously asserted in BALH 920921HJ. *Astroline Communications v. F.C.C., supra*. Moreover, even if application of *Second Thursday* was procedurally correct, which it was not, application of that policy was grossly inappropriate in the instant case for 4 extremely valid reasons.

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[19]/ *Second Thursday Corp., 22 FCC 2d 515 recon. granted, 25 FCC 2d 112 (1970).* See also *Shell Broadcasting Inc., 30 F.C.C. 2d 929 (1973).*

[20]/ Petitioner filed documents with the Commission which refuted the claim that the position of the former licensee was that of a bankrupt. The Commission refused to consider those documents. Also, the Commission's *Second Thursday Policy* present very serious Constitutional issues which will be addressed in due course.

First. The Commission did not address the prior Petition (BALH 920921HJ). Second. The Ex parte Appointment of the Receiver was a sham.

As the major debt holder with approximately 70% of the total debt, Anaheim, and its subsidiary, as the only party(s) (other than Mr. Cote) that requested the appointment of a receiver could dictate under what terms a receiver would be appointed. It was a clear conflict of interest for the assignee to also be a major debt holder of the assignor. Third. Mr. Cote, the 100% shareholder of the licensee KOLA, Inc., claimed assets that exceeded by a substantial margin the $1.1 million debt as alleged by counsel for KOLA, Inc. \

KOLA, Inc., was in a position to repay the entire debt with non broadcast assets. Fourth. The indirect benefit received by Mr. Cote was substantial - $400,000.00.

Application of the *Second Thursday Policy* was wholly inapplicable. "...[T]he Commission should assure itself that licensees do not use bankruptcy [or other receivership actions] as a means of circumventing their obligation to operate in the public interest." LaRosa v. F.C.C., 494, F2d 1145, n.2.

The statement of the Commission in the M.O.&O. was absolutely incorrect. See Appendix C-1 at p. 11 at 19. "We conclude that Cote's receipt of the loan from KOLAI 1992 out of funds lent to KOLAI by Anaheim was not a benefit to him from the assignment of the station to Inland." Sic./[21]

KOLA, Inc. was the alter ego of Mr. Cote. The Superior Court County of Riverside California in its order ruled that triable issue of fact exists as to intent of Mr. Cote to defraud creditors of KOLA, Inc., "...as well as whether the debts incurred were intended not to be paid."/[22] The ruling by the state court of California, which was based on the finding that KOLA, Inc., was the alter ego of Mr. Cote, provided incontrovertible proof that the debtor, KOLA, Inc. and the debtor, Mr. Frederick R. Cote, for all intense and purposes, were the same entities. Any indirect benefits received by one, would also be received by the other. In addition, the

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[21]/ See Appendix C-1, p. 3 at 2.

[22]/ The same information was filed with the Commission on June 13, 1996. The court below dismissed the appeal on August 26, 1996 because Petitioner failed to exhaust administrative remedies. Appendix B-1, B-2.

$400,000.00,/[23] allegedly loaned to Mr. Cote by KOLA, Inc., out of the proceeds of the $500,000.00 loan received by KOLA, Inc., from Anaheim, is not collectable. MO&O, p. 11 at 19./[24]

"The financial benefits which would accrue to innocent creditors, though not unimportant, are outweighed by the substantial direct and indirect benefits which [the wrongdoer] would receive..." *Mid-State Broadcasting Company, 61 F.C.C. 2d 198.*

"The Commission previously held that the public interest would not be served by allowing the principals to receive a direct [or] indirect benefit in cases which involve request for application of the *Second Thursday Policy." Capital City Communications Inc., 33 F.C.C. 2d. 703./*[25]

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[23]/ The $400,000.00 debt, which formed an essential component of the total loan package that amounted to $500,000.00 (and the asset purchase agreement between the assignor and assignee), made the application of the *Second Thursday Policy* possible. There would be no *Second Thursday* application to consider without the arrangement between KOLA, Inc. and Anaheim.

[24]/ Mr. Cote is currently serving a life term with no parole in California State Prison. He has asserted that he no longer has any assets. Mr. Cote is faced with the awesome task of collecting a $400,000.00 debt from himself.

[25]/ The $500,000.00 note was personally guaranteed by Mr. Cote. Almost $800,000.00 of the $1.1 million debt was owned to Anaheim or SBR. Over $600,000.00 was incurred as a result of the KOLA, Inc. note held by Anaheim.

Reasoned Explanation.

Commission staff prematurely decided the fate of the valid pending Petition and departed from established Commission policy when staff accepted the new applications for filing on July 27, 1994./[26]

The decision to accept and act on the new applications in lieu of expediting the Petition was a clear violation of the Commission's own rules, policies and prior case law. C.F.R. Section 3518, C.F.R. Section 3588(c)(2); *Jefferson Radio Policy, supra; Second Thursday Policy,* supra; *Citizens for Jazz on WRVR, Inc. v. F.C.C., 775 F2d 392; Gencom, Inc. v. F.C.C., 832 F2d 171 (D.C. Cir. 1987); Astroline Communications Co., supra.*/[27]

The Commission must provide a reasoned explanation when, as here, there is any deviation from, or, a "substantive departure" from stated Commission policy. *Coalition for*

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[26]/ "...[T]he agency cannot silently depart from previous policy or ignore precedent." *Committee for Community Access v. F.C.C., 737 F2d 74 (1984).*

[27]/ The acceptance and grant by the Commission of the subsequent application for assignment FCC form 316 before addressing the Petition To Deny was clearly contrary to the direction of this court in *Astroline Communication Company, supra* and 47 C.F.R. Section 73.3588 of the Commission's rules.

Pres. of Hispanic Broadcasting v. F.C.C., 893 F.2d 1349 (D.C.Cir. 1990). The Commission must "...articulate with reasonable clarity its reasons for decision..." *Greater Boston Television Corp. v. F.C.C., 444 F.2d at 851.*

Not once did the Commission provide a reasoned explanation for its abject failure to adhere to its own rules, policies and prior case law. The Commission decisions with respect to the Petition were not just arbitrary and capricious. On the contrary. The attitude displayed by Commission's in-action with regard to the Petition, in addition to being arbitrary and capricious, was also one of benign neglect. It is appropriate in all such cases for the Court to find in favor of a party that is adversely effected by the Commission's arbitrary and capricious decisions. *Astroline Communications Co., supra. Citizens for Jazz on WRVR, Inc., v. F.C.C., supra; Gencom, Inc. v F.C.C., supra).*

In addition, as another example of the arbitrary and capacious nature of the Commission's decisions with respect to Petitioner, the Commission cited 47 C.F.R.

section 1.115(c) in the MO&O/[28] as justification for not considering an argument previously asserted by Petitioner in the Petition. The ruling in the MO&O by the Commission with respect to the abandonment of license by Mr. Cote is also in conflict with the "without prejudice" statement contained in Commission staff's Letter Order of July 27, 1994.

The Commission staff decision, as reflected in the non-final Letter Order dismissing the Application before taking action on, or, responding to the Petition of October 23, 1992 (and supporting documents), not only violated Commission rules, policies and prior case law, that Letter Order also contravened Petitioner's right to Due Process under the Fifth and Fourteenth Amendments of the U. S. Constitution.

Moreover, with respect to the Application and the Petition, the Commission's mandate was clear. That mandate required the Commission to apply the rules evenly (not arbitrarily or capriciously) and to formulate rules, policies and decisions by this Court that are

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[28]/ See Appendix C-1, p. 5, n. 8, 9.

consistent with the public interest, convenience, and necessity. *Section 309 of the Communications Act.* In this case, the Court of Appeals and the Commission overlooked that mandate. Moreover, the Court of Appeals and Commission -- in the public interest -- overlooked the crimes of a convicted murderer, failed to follow the Due Process provisions of the Fifth and Fourteenth Amendments of the U. S. Constitution, its own rules, policies and case precedent, and, would not accept verifiable qualified evidence that revealed that the assignee filed fraudulent employment reports./[29] Appendix C-1, p. 8 at 14.

The Court below declined to issue rulings that would reverse violations by the Commission of rights which are granted to Petitioner under (a) the Constitution, (b) statutes or, (c) case law, all of which are cited above.

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[29]/ The president of the assignee fraudulently claimed in 3 annual employment reports previously filed with the Commission that one of his employees was Hispanic. Birth records indicated those reports were frauds. They verified prior allegations asserted on August 13, 1994, which were based on Petitioner's personal first hand knowledge, that the employee, a Ms. Dawn M. Ortiz, was not an Hispanic, as fraudulently claimed by the assignee. Records obtained from the California Secretary of State's office confirmed that a Ms. Dawn Marie Ortiz was still employed by KCAL-FM, which is licensed to SBR.

Petitioner respectfully request this Court to grant this petition with respect to the orders of the court below not only because those orders would allow the Commission to disregard a valid petition to deny by arbitrarily dismissing the Petition, but also because the decision of the court below would permit the Commission to avoid adhering to due process requirements, its own rules, policies and the prior direction of this Court with respect to petitions to deny. And, also, because the Commission absolutely refused to provide a reasoned explanations for the contravention of the Commission's own *Aricibo Radio Policy, 101 FCC 2d, 545 (1985)/.*[30]

Abandonment of License/Unauthorized Transfer of Control.

Not only did the Commission fail to address the Petition, the Commission also failed to address allegations regarding documents filed with the Commission on September 26, 1991 and November 24, 1992. On September 26, 1991, the former Mrs. Cote filed

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[30]/ The Commission was notified August 8, 1996 of pending legal action between Petitioner and the Respondents before the Commission released its MO&0 of October 25, 1996.

an application for new broadcast station license in connection with KOLA-FM. An exhibit was filed with the Commission and the court below./[31] Her counsel informed the Commission of the transfer of KOLA, Inc., stock to Mrs. Cote. On the latter date Petitioner filed with the Commission a document which contained the testimony of the former Mrs. Cote which provided further confirmation that Mr. Cote abandoned the license to operate KOLA-FM. Each document provided substantial verification that there was an unauthorized transfer of control of KOLA-FM to the former Mrs. Cote and an abandonment of license./[32]

The documents represents a categorical admission by Mr. Cote's former wife and his former counsel that the 100% shareholder of the former licensee had abandoned the license to operate KOLA-FM. Also, the acceptance by the Commission of the request to grant control of the license to the former Mrs. Cote represented tacit acknowledgment that Mr. Cote

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[31]/ An excerpt of page 4 of the exhibit reads as follows: "Thus Jane E. Cote as conservator holds all the stock of KOLA, Inc."

[32]/ This evidence was filed with the Commission on March 9, 1993.

did abandon the license and there was an unauthorized transfer of control.

On April 7, 1993, Petitioner filed with the Commission documents from the District Attorney and the police department for the county and city of Riverside, California, respectively. Those reports provided additional verification that the licensee had abandoned KOLA-FM by seeking asylum in South America. Those allegations and evidence filed with the Commission in the Petition were never addressed. Commission rule 47 C.F.R. Section 73.3588(c)(2) required the Commission to address the Petition and allegations contained therein before the Commission could take any action on the new applications. The Court of Appeals also disregarded that evidence. See *Astroline Communications Co. v. F.C.C., supra.*

Moreover, Commission staff's confusing Letter Order to the contrary, the Commission must address the Petition./[33] The last 2 sentences of note 8 of the MO&O sum up the

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[33]/ The non final Letter Order attempted to dismiss the Application and thereby the Petition (with prejudice as to the allegations contained in the Petition - see note 8 and 9 of the MO&O). Nevertheless, the Commission observed: "This action is without prejudice to any action the Commission deems appropriate with respect to the matters presented in the petition to deny."

Commission's position with respect to Petitioner's Petition (and all subsequent petitions to deny filed by Petitioner)./[34] The allegations asserted in the Petition, which included allegations of murder, abandonment and fraud, involved extremely serious public interest considerations that required Commission attention long before dismissal of the Application./[35]

CONCLUSION.

The order of the Court of Appeal was that "The additional documents are not a part of the record of the proceeding under review." Appendix A-4, para. 2. The order therefore affirmed findings outlined in the Commission's MO&O, Appendix C-4 and the position taken by the Commission in the "Supplemental Response of FCC To Motion To Compel Production Of Additional Documents" (hereinafter referred to as "Response") filed

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[34]/ The Commission assert "Nor do Jones's allegations raise an issue of substantial public interest importance warranting our consideration of the issue notwithstanding these procedural infirmities. Thus we will not consider the argument further."

[35]/ At note 8 and 9 of the MO&O the Commission referred to the "untimelyness" of allegations raised by Petitioner. A petitioner before the Commission is not required to make an allegation 2, 3 or 4 times before the Commission should act, no more than an individual should be required to report a murder to the local police department more than once.

with the court below on or about June 23, 1997. Court of Appeals, Case No. 96-1206.

The Commission has taken the position that it need not address issues raised in Petitioner's Petition to Deny (BALH 920921HJ) which was filed on October 23, 1992 because those issue were allegedly not raised in Petitioner's subsequent Petition to Deny which was filed on July 23, 1994.

The Commission also asserted "...that the assignment application to SBR is not before the Court and the record in this case should not include documents from the file in the earlier proceeding." Response, p. 3, para. 1. In addition, the Commission stated "By its terms, the order on appeal considered the following two application only: (1) the May 13, 1994 application of KOLA, Inc., assignor, and Stanfield, receiver/assignee (FCC File No. BALH-940513EC) for pro forma assignment of the license of station KOLA(FM); and (2) the subsequent July 6, 1994 application of Stanfield, receiver /assignor, and Inland Empire, assignee (FCC file NO. Bal-940706GP)..."

The Commission has taken the position that the issues raised by Petitioner in the

former petition (BALH 920921HJ) were never raised in the Petitioner's subsequent petition (BAL-940706GP) even though BALH 920921HJ was incorporated by reference into subsequent documents, BALH 940513EA and BAL 940706GP.

Petitioner's Petition For Reconsideration, filed on July 23, 1994 (BALH 940513EA) and Petition To Deny of July 23, 1994 (BAL-940706GP) included by reference the former petition (BALH 920921HJ) and allegation contained therein no less than 20 times.

"The application for transfer, BALH 940706GP, currently before the Commission represent[] the latest attempt by the former assignor, KOLA, Inc.. and assignee, SBR Broadcasting, Inc. [] to transfer the license of KOLA-FM ([see] BALH 920921HJ)." Petition TO Deny, BAL-940706GP, filed July 23, 1994, p. 1, para. 1.

"The 'beneficial licensee' was also the former assignor on the last application for transfer FCC 314, BALH 920921HJ..." Id., p. 2, para. 1.

"Therefore, the issues brought to light in the last petition to deny [BALH 920921HJ] filed on October 23, 1992, are issues that continue to be very significant as they

involve the same principals, the 'beneficial licensee' and the assignee. These issues have very substantial public interest concerns that should and must be addressed by the Commission." Id., p. 2, para. 3.

Moreover, the finding of the Commission in the MO&O that "Nor do Jones's allegations raise an issue of substantial public interest importance warranting our consideration of the [abandonment] issue..." (MO&O, n. 8) "... without a review of the evidence is beyond the power of the Commission." United States v. Abilene & S. Ry. Co. 44 Sup.Ct. 456, 265 U.S. 274.

"A finding without evidence is arbitrary and baseless." Interstate Commerce Commission v. Louisville & Nashville R. Co., 227 U.S. 88, 91, 93, 33 Sup. Ct. 185, 57 L.Ed.

"... [A] finding without evidence is beyond the power of the Commission." New England Divisions Case, 261 U.S. 184, 198, note 19, 43 Sup. Ct. 270, 67 L.Ed.605.

Petitioner filed with the Commission pleadings and documents in a timely manner. Those documents referred to the allegation of abandonment which the Commission has steadfastly refused to address.

"It is well established that [] the pleadings and the evidence constitute the record upon which the decision must be based." Norris & Hirshberg v. Securities and Exchange Commission 163 F.2d 689.

The allegations contained in the original petition to deny (BALH 920921HJ), filed on October 23, 1992, and subsequently referred to in Petitioner's Petition for Reconsideration, filed on July 23, 1994 (BALH 940513EA) and the Petition to Deny of July 23, 1994 (BAL 940706GP) should be included as part of the record. "[T]here is jurisdiction [for the court] to take evidence upon the merits of the original controversy." Interstate Commerce Commission v. Louisville & Nashville R. Co., supra.

For all of the foregoing reasons, it is respectfully submitted that the Court of Appeals misconstrued the statutes, overlooked case law and Due Process requirements of the Fifth and Fourteenth Amendments of the Constitution.

Moreover, the dismissal by the court below of Petitioner's appeal because Petitioner filed a Petition for a writ of certiorari with this Court appear to be

retaliatory. Also, by not compelling the Commission to include documents from the Petition of October 23, 1992, as part of the Certified Index To The Record, the decision of the court below will not only impact the rights of this Petitioner, but also, any other petitioners that come before the Commission.

Whenever the Commission wish to avoid producing documents previously filed as part of a petition to deny an application, the Commission could simply dismiss the application and the pending petition to deny.

Therefore, Petitioner respectfully request this Court's writ of certiorari issue requiring a review of the orders of the Court of Appeals District of Columbia Circuit and the Federal Communications Commission.

Respectfully submitted:

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FILED
98 1119 SEP 22 1999
OFFICE OF THE CLERK

No._____

In The

Supreme Court of the United States

October Term, 1998

JOSEPH D. JONES,

Petitioner,

vs.

FEDERAL COMMUNICATIONS COMMISSION,

Respondent,

Petition for Writ Of Certiorari
To The United States Court Of Appeal
For The District of Columbia

SUPPLEMENTAL APPENDIX

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APPENDIX A-1

UNITED STATES COURT OF APPEAL

FOR THE DISTRICT OF COLUMBIA CIRCUIT

Joseph D. Jones Appellant	) September) Term, 1997
v.	) No. 96-1436
Federal Communications Commission, et al., Appellee	) Filed Jan. 24,) 1998
Inland Empire Broadcasting Corporation, et al., Intervenors Consolidated with 96-1437, 97-1207	)

BEFORE: Rogers, Tatel and Garland, Circuit Judges

ORDER

Upon consideration of appellant's petition for rehearing filed May 26, 1998, it is **ORDERED** that the petition be denied.

Per Curiam

APPENDIX A-2

UNITED STATES COURT OF APPEAL

FOR THE DISTRICT OF COLUMBIA CIRCUIT

Joseph D. Jones Appellant	) September) Term, 1997
v.	) No. 96-1436
Federal Communications Commission, et al., Appellee	) Filed April 9,) 1998
Inland Empire Broadcasting Corporation, et al., Intervenors	)
Consolidated with 96-1437, 97-1207	)

BEFORE: Rogers, Tatel and Garland, Circuit Judges

ORDER

Upon consideration of the court's order to show cause filed February 9, 1998, the

response thereto captioned as a motion to stay, the motion to dismiss, intervenors' comments in support of the motion to dismiss, the opposition to the motion to dismiss, the motion to strike the intervenors' comments, and the opposition thereto, it is

ORDERED that the order to show cause be discharged. It is

FURTHER ORDERED the motion to strike be denied. It is

FURTHER ORDERED that the motion to stay be denied, and that the motion to dismiss be granted.

Appellant moves to stay the briefing schedule pending disposition of a petition for a writ of certiorari. However, he did not file his petition until February 2, 1998, the day before his brief was due. Moreover, he did not file the motion to stay until February 25, 1998, three weeks after his brief was due and two weeks after he was ordered to show cause why the appeal should not be dismissed for

failure to file the brief. This is the third time that appellant has failed to comply with the briefing schedule, and he did so despite the court's warning that any future extensions of time would be granted only for "extraordinarily good cause." 12/24/97 Order at 1 (quoting D.C. Cir. Rule 28(f)(1).

The pendency of the petition for a writ of certiorari is not good cause for yet another extension of the briefing schedule. Appellant's filing of the petition was clearly a delaying tactic, rather than a legitimate attempt to obtain review of this court's orders, as evidenced b the timing of the filing and the Supreme Court's prompt denial of the petition on March 23, 1998. Thus, we deny the motion to stay and grant the motion to dismiss.

The Clerk is directed to withhold issuance of the mandate herein until seven days after disposition of any timely petition for rehearing. See D.C. Cir. Rule 41.

Per Curiam

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Joseph D. Jones, Appellant	)	September Term, 1997
v.	)	**No. 96-1436**
Federal Communications Commission, Appellee	)	Filed: Dec. 24, 1997

Inland Empire Broadcasting Corporation, etal., Intervenors
Consolidated with 96-1437

97-1207
Joseph D. Jones, Petitioner

v.

F.C.C and United States of America, Respondents

Ray M. Stanfield, et al, Intervenors

Before: Ginsburg, Rogers and Garland, Circuit Judges

ORDER

Upon consideration of the motion for reconsideration of the order denying motion to compel production of additional documents, the motion for leave to delay the filing of appellant's brief, the opposition thereto and motion to dismiss, and the reply to the opposition and opposition to the motion to dismiss, it is

ORDERED that the motion for reconsideration be denied. It is

FURTHER ORDERED that the motion for leave to delay the filing of appellant's brief be granted, and that the motion to dismiss be denied. However, we caution appellant that any future motion to extend the time for filing his brief will be granted "only

for extraordinarily compelling reasons," D.C. Cir. Rule 28(f)(1), and that the pendency of a motion for reconsideration (or any other motion) will not be considered an extraordinarily compelling reason.

The Clerk is directed to enter a new briefing schedule.

Per Curiam

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Joseph D. Jones, Appellant	)	September Term, 1997
v.	)	**No. 96-1436**
Federal Communications Commission, Appellee	)	Filed: Sep. 5, 1997

Inland Empire Broadcasting Corporation, etal.,
Intervenors
Consolidated with 96-1437

97-1207
Joseph D. Jones,
Petitioner

v.

F.C.C and United States of America,
Respondents

Ray M. Stanfield, et al,
Intervenors

BEFORE: Sentelle, Henderson, and Tatel, Circuit Judges

ORDER

Upon consideration of the motion to compel production of additional documents, the supplemental response thereto, and the reply; the motion for leave to file a joint deffered appendix containing the additional documents; and the motion to remand, the opposition thereto, and the reply, it is

ORDERED that the motion to compel production of additional documents and the motion for leave to file a joint deferred appendix containing the additional documents be denied. The additional documents are not a part of the record of the proceeding under review, nor do the Jefferson Radio policy, Astroline Communications Co. v. FCC, 857 F.2d 1556 (D.C. Cir. 1988), or 47 C.F.R. Section 73.3588(s)(2) require that they be included in the record. It is

FURTHER ORDERED that the motion to remand be denied. The merits of the

parties' positions are not so clear as to warrant summary action. See Cascade Broadcasting Group, Ltd. v. FCC, 822 F2d 1172, 1174 (D.C.Cir. 1987) (per curiam); Walker v. Washington, 627 F.2d 541, 545 (D.C. Cir.) (per curiam), cert. denied, 449 U.S. 994 (1980).

The Clerk is directed to enter a new briefing schedule.

Per Curiam

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

Joseph D. Jones, Appellant	)	September Term, 1997
v.	)	**No. 96-1436**
Federal Communications Commission, Appellee	)	Filed: May 22, 1997

Inland Empire Broadcasting Corporation, etal., Intervenors
Consolidated with 96-1437

97-1207
Joseph D. Jones, Petitioner

v.

F.C.C and United States of America, Respondents

Ray M. Stanfield, et al, Intervenors

BEFORE: Wald, Williams, and Tatel, Circuit Judges

ORDER

Upon consideration of the motion for leave to file a deferred joint appendix; the motion for leave to file appellant's brief out of time, the motion to compel production of additional documents, the FCC's opposition to the motion for leave to file appellant's brief out of time and to the motion to compel production of additional documents and the FCC's motion to dismiss, and the response to the motion to dismiss and reply to the opposition; Inland Empire Broadcasting Corporation's motion to dismiss and the opposition thereto; the motion to consolidate, the FCC's opposition thereto, the reply to the FCC's opposition, Inland Empire's motion for leave to file an opposition, the lodged opposition, and the opposition to the motion for leave to file and reply to the lodged opposition; the motion for leave to file a reply

to the opposition to motion to stay-2[sic] out of time, the lodged reply, and the motion for reconsideration of the order denying the motion for stay; and the motion to stay filed in No. 97-1207, it is

ORDERED that the motions to dismiss be denied. It is

FURTHER ORDERED that the motion to compel production of additional documents be denied to the extent that Jones seeks to have copies of the documents provided to him by the FCC. It is

FURTHER ORDERED that the FCC file a supplemental response addressing Jones's contention in the motion to compel production of additional documents that the record should include documents from Commission Docket BAL[H] 920921HJ. The FCC's response shall be filed within 30 days of the date of this order and shall not exceed 10 pages. Jones's reply, if any, shall be filed within 14 days thereafter and shall not exceed 5 pages. It is

FURTHER ORDERED that resolution of the motion for leave to file a deferred joint appendix be deferred

pending receipt of the supplemental response. It is

FURTHER ORDERED that the motion for leave to file an opposition to the motion to consolidate be granted. The Clerk is directed to file the lodged opposition. It is

FURTHER ORDERED that the motion to consolidate be granted. It is

FURTHER ORDERED that the motion for leave to file a reply to the opposition to motion to stay-2 be granted. The Clerk is directed to file the lodged reply. It is

FURTHER ORDERED that the motion for reconsideration be denied. It is

FURTHER ORDERED that the motion to stay filed in No. 97-1207 be denied. Jones has not satisfied the stringent standards for a stay pending review. See Washington Metropolitan Area Transit Commission v. Holiday Tours, Inc., 559 F.2d 841, 843 (D.C. Cir. 1977); D.C. Circuit Handbook of Practice and Internal Procedures 60-61 (1977).

Per Curiam

APPENDIX B-1

UNITED STATES COURT OF APPEAL

FOR THE DISTRICT OF COLUMBIA CIRCUIT

Joseph D. Jones	)	September
Appellant	)	Term, 1995
	)	
v.	)	No. 95-1572
	)	
Federal Communications	)	Filed Aug. 28,
Commission, et al.,	)	1996
Appellee	)	
	)	
Frederick Cote, et al.,	)	
Intervenors	)	

BEFORE: Henderson, Rogers and Tatel, Circuit Judges

ORDER

Upon consideration of the motion to dismiss, the opposition thereto, and the reply; the motion to hold in abeyance; and petitioner's motions for stay, it is

ORDERED that the motion to dismiss be granted. An application to the Federal Communications Commission for review of a decision rendered by the Commission's Mass Media Bureau is a :condition precedent to judicial review.: See 47 U.S.C. Section 155(c)(7). Because petitioner has not obtained a final order from the Commission disposing of any such application, this court is without authority to review the Bureau decision. See Committee to Save WEAM v. FCC, 808 F.2d 113, 115-16 (D.c. Cir. 1986) (dismissal of petition warranted where appellant fails to exhaust administrative remedies by seeking review before full Commission of decision of FCC staff). It is

FURTHER ORDERED that petitioner's motions for stay and to hold this case in abeyance be dismissed as moot.

The Clerk is directed to withhold issuance of the mandate herein until seven days after disposition of any timely petition for rehearing. See D.C. Cir. Rule 41.

Per Curiam

APPENDIX B-2

UNITED STATES COURT OF APPEAL

FOR THE DISTRICT OF COLUMBIA CIRCUIT

Joseph D. Jones	)	September
Appellant	)	Term, 1995
	)	
v.	)	No. 95-1572
	)	
Federal Communications	)	Filed Nov. 13,
Commission, et al.,	)	1996
Appellee	)	
	)	
Frederick Cote, et al.,	)	
Intervenors	)	

BEFORE: Henderson, Rogers and Tatel, Circuit Judges

ORDER

Upon consideration of petitioner's petition for rehearing filed October 15, 1996, it is

ORDERED that the petition be denied.

Per Curiam

Appendix

Federal Communications Commission
FCC 96-372

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In re Application of	)	
	)	
KOLA, INC.,	)	
Assignor,	)	**File No.**
	)	**BALH-940513EC**
and	)	
	)	
RAY M. STANFIELD,	)	
RECEIVER,	)	
Assignee.	)	
	)	**File No.**
RAY M. STANFIELD,	)	**BAL-940706GP**
RECEIVER,	)	
Assignor,	)	
	)	
and	)	
	)	
INLAND EMPIRE	)	
BROADCASTING CORPORATION	)	
Assignee.	)	
	)	
For Assignment of the	)	
License of Radio Station	)	
KOLA(FM), San Bernardino,	)	
California	)	

MEMORANDUM OPINION AND ORDER

Adopted: Sept. 5, 1996 Rel: Oct. 25, 1996

By the Commission:

1. The Commission has under consideration the Letter of the Chief, Mass Media Bureau to Joseph D. Jones, et al, dated June 29, 1995 (hereafter the "Letter Decision'), denying a Petition for Reconsideration filed by Joseph D. Jones ("Jones") of the grant of a pro forma assignment of the license of Station KOLA (FM), San Bernardino, California, from KOLA, Inc. ("KOLAI"), to Ray M. Stanfield, Receiver ("Stanfield"). The Letter Decision also denied a Petition to Deny filed by Jones with respect to a subsequent application to assign the KOLA(FM) license from Stanfield to Inland Empire Broadcasting Corporation ("Inland"), and granted the Inland assignment application. Now before the Commission are a "Petition for Administrative Review"[1] filed by Jones on August 7, 1995, with respect to that

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[1] Although labeled as "Petition for Administrative Review," Jones's pleading appears to seek Commission review, pursuant to Section 1.115 of the rules, of the Bureau's denial of reconsideration of the grant to Stanfield. The initial grant of the assignment of license from KOLA, Inc. to Stanfield as Receiver (a Form 316) application) was not opposed by Jones. Jones subsequently filed a Petition for Reconsideration of that grant on July 25, 1994, within 30 days of the public notice of the grant. Although the assignment application also sought authority for the assignment of KOLAI's other station, KMET(AM), Banning, California, from KOLAI to Stanfield, Jones did not seek reconsideration of the assignment of KME to Stanfield.

portion of the Letter Decision denying his Petition for Reconsideration of the grant of the pro forma assignment of KOLA(FM) from KOLAI to Stanfield,[2] and a separate "Petition for Reconsideration" filed by

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[2] Also before the Commission with respect to the "Petition for Administrative Review: are a "Petition for Administrative Review (Revised)" filed by Jones on August 10, 1995; an "Opposition to 'Petition for Administrative Review' filed by Stanfield on August 24, 1995; a "Reply to Petition for Administrative Review" filed by Jones on September 26, 1995, and a pleadentitled "Additional Evidence" filed by Jones on November 3, 1995. Jones's August 10, 1995, "Petition for Administrative Review (Revised)" and November 3, 1995, "Additional Evidence" pleadings are hereby dismissed without consideration for the following reasons. With respect first to the Petition for Administrative Review (Revised), Section 1.115 of the Rules provide that "an application for review and any supplement thereto shall be filed within 30 days from the date of public notice of such action, as that action is defined in Section 1.4(b) of these rules." the Petition for Administrative Review seeks review of the June 29, 1995, Letter Decision, public notice of which was released July 7, 1995, Report No. 43544. Thus, pursuant to Section 1.115(d), the application for review and any supplement was due August 7, 1995. While the original version of the Petition for Administrative Review was filed by the August 7 due date, the "Revised" version, which made several changes in the text, was filed three days late, with no motion for acceptance or other explanation of the nature or need for the revisions. The "Revised" version was thus unauthorized and will not be accepted or considered by the Commission. With respect to Jones's November 3, 1995, filing of "Additional Evidence," Section 1.115(d) permits the filing of only an application for review, an opposition, and a reply. Jones's "Additional Evidence," which was submitted without any motion or other request seeking to justify its acceptance, is a further pleading not authorized under Section 1.115(d). In addition, Section 1.115(c) of the Rules provide that "[n]o application for review will be granted if it relies on questions of law or fact which the designated authority has been afforded no opportunity to pass." Further, Jones's "Additional Evidence" filing does not provide any decisionally significant facts which are required to be considered in our determination of the public interest. For these reasons, Jones's "Additional Evidence" will be dismissed as an unauthorized pleading.

Jones on August 7, 1995, which seeks reconsideration of the remaining aspects of the same Letter Decision which denied Jones's Petition to Deny the subsequent assignment of KOLA(FM) from Stanfield to Inland.[3] Also under consideration is an

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[3] Also before the Commission with respect to the Petition for Reconsideration are a "Petition for Reconsideration ("Revised") filed by Jones on August 10, 1995; an "Opposition to Petition for Reconsideration" filed by Stanfield on August 22, 1995; an "Opposition of Inland Empire Broadcasting corporation to 'Petition for Reconsideration'" filed by Inland on August 22, 1995; a "Reply to Petition for Reconsideration" filed by Jones on September 26, 1995; and a pleading entitled "Additional Evidence" filed by Jones on November 3, 1995. As with his similar pleading filed with respect to his Petition for Administrative Review (see note 2, supra), Jones's August 10, 1995, "Petition for Reconsideration ("Revised")" and November 3, 1995, "Additional Evidence" pleadings are hereby dismissed without consideration for the following reasons. With respect first to the "Petition for Reconsideration (Revised)," Section 1.106(f) of the Rules provides that "[t]he petition for reconsideration and any supplement thereto shall be filed within 30 days from the date of public notice of the final Commission action, as that action is defined in Section 1.4(b) of these rules.... No supplemental or addition to a petition for reconsideration which has not been acted upon by the Commission or by the designated authority, filed after expiration of the 30 day period, will be considered except upon leave granted upon a separate pleading for leave to file, which shall state the grounds therefor." The Petition for Reconsideration seeks reconsideration of that aspect of the June 29, 1995, Letter Decision which granted the assignment of KOLA from Stanfield to Inland, public notice of which was released July 7, 1995, Report No. 43544. Thus, pursuant to Section 1.106(f), the petition for reconsideration and any supplement were due August 7, 1995. While the original version of the Petition for Reconsideration was filed by the August 7 due date, the "Revised" version, which made several changes in the text, was filed three days late, with no motion or other explanation of the nature or need for the revision. The "Revised" version

Application for Review filed by Inland with respect to the Letter of the Acting Chief, Audio Services Division, to Joseph D. Jones, dated December 13, 1995 (hereafter "December 13 Letter"), which granted Jones's December 4, 1995, petition for Reconsideration of the dismissal of the Petition for Administrative Review and the Petition for Reconsideration and reinstated those Petitions.[4] Because many of the issues raised by

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was thus unauthorized and will not be accepted or considered by the Commission. With respect to Jones's November 3, 1995, filing of "Additional Evidence," Section 1.106(f), (g), and (H) permit the filing of only a petition for reconsideration, an opposition, and a reply. Jones's "Additional Evidence," which was submitted without any motion or other request seeking to justify its acceptance is a further pleading not authorized under Section 1.106. Further, Jones's "Additional Evidence" filing does not provide any decisionally significant facts which are required to be considered in our determination of the public interest. For these reasons, Jones's "Additional Evidence" will be dismissed as an unauthorized pleading.

[4] Jones's December 4, 1995, Petition for Reconsideration sought reconsideration of a Letter of the Acting Chief, Audio Services Division dated October 27, 1995 (hereafter "October 27 Letter"), dismissing Jones's August 7, 1995, Petition for Administrative Review and Petition for Reconsideration on the grounds that these Petitions were not timely filed under the Commission Rules. Reconsideration was granted and the Petitions were reinstated by the December 13 Letter after review of evidence that these petitions were timely filed. Also under consideration with respect to Inland's Application for Review is an Opposition to Application for Review filed by Jones on January 31, 1996, and a Reply to Opposition to Application for Review filed by Inland on February 14, 1996.

Jones in his Petitions are related and duplicative, the Mass Media Bureau has referred the Petition for Reconsideration to the Commission, as permitted pursuant to Section 1.106(a)(1) of the Rules, for resolution in conjunction with our consideration of the application for review. We accept the referral of the Petition for Reconsideration so that all the issues relating to Station KOLA(FM) can be resolved as expeditiously as possible.

BACKGROUND

2. KOLAI's sole stockholder is Frederick Cote ("Cote"). In early 1992, Cote was indicted on five felony charges in the State of California. While he was awaiting trial, KOLAI and SBR Broadcasting Corporation ("SBR") negotiated for SBR to purchase KOLA (FM), resulting in a sales agreement executed on June 5, 1992. The parties also entered into a loan agreement at the same time whereby Anaheim Broadcasting Corporation ("Anaheim"), SBR's parent corporation, loaned KOLAI $500,00, taking back a promissory note secured by KOLAI's assets. On September 21, 1992, an application was filed with the Commission for consent to the assignment of KOLA(FM) to SBR (File No. BALH0920921HJ). Jones filed a Petition to Deny the assignment application.

3. On January 1, 1994, SBR assigned its contract rights to another subsidiary of Anaheim, Inland. KOLAI defaulted on its obligation under the promissory note, and Anaheim filed a complaint for collection in California Superior Court on April 20, 1994, seeking foreclosure on the assets of KOLAI and appointment of a receiver, as provided for in the security agreement. The California Superior Court, County of San Francisco, appointed Ray Stanfield receiver on April 21, 1994. An application for the pro forma assignment of the KOLA and KMET[5] license from KOLAI to Stanfield as receiver was filed on May 13, 1994,

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[5] As noted above, KOLAI was also the licensee of Station KMET(AM), Banning, California. The May 13, 1994, pro forma assignment application also sought authority for the assignment of KMET from KOLAI to Stanfield; however, Jones did not seek reconsideration of the assignment of KMET to Stanfield. An application was subsequently filed on July 5, 1995, to assign KMET from Stanfield to Robeson/Suttles Broadcasting, Inc. On August 17, 1995, Jones filed a Petition to Deny the KMET assignment, and that Petition to Deny was dismissed, and the KMET assignment application granted, by the Audio Services Division letter decision dated November 8, 1995. Jones subsequently filed a Petition for Reconsideration of the KMET assignment grant, and reconsideration was denied by staff action dated March 26, 1996. An Application for Review of the denial of reconsideration of the KMET grant was filed by Jones on April 29, 1996, and is pending before the Commission.

and was granted by the Commission's staff on June 21, 1994. On July 6, 1994, an application to assign KOLA from Stanfield to Inland was filed[6] Subsequently, on July 11, 1994, Cote was convicted of four felonies, including murder. On July 25, 1994, Jones filed a Petition for Reconsideration of the granted assignment of KOLA from KOLAI to Stanfield, and on August 15, 1994, Jones filed a Petition to Deny the application for assignment of KOLA from Stanfield to Inland.

4. The Letter Decision denied both Jones's request for reconsideration of the grant of the application to assign the KOLA license to Stanfield and Jones's Petition to Deny the assignment of KOLA from Stanfield to Inland. With respect to the assignment to Stanfield as Receiver, the staff found that Anaheim had obtained the appointment of a receiver from the California state court in order to protect the assets of KOLAI in which Anaheim held security interest, and that the Commission had neither the expertise nor jurisdiction to challenge the court's finding that the appointment of a

[6] At the request of SBR, the application to assign KOLA from KOLAI to SBR was dismissed July 27, 1994.

receiver was appropriate in this case. In addition, the staff held that Jones had failed to prove his allegation that the receivership proceeding was an attempt by Anaheim to perfect a security interest in KOLA's license, or that the receivership action was part of a collusive scheme to assure that Cote's conviction would not bar acquisition of KOLA by Anaheim's subsidiary.

5. With respect to the assignment of KOLA to Inland, the staff found that, notwithstanding Jones's contrary allegations, there was no evidence that Anaheim prematurely took control of KOLA. In addition, the staff held that the assignment to Inland, notwithstanding Cote's conviction for murder, could be granted because the parties had demostrated, consistent with the Commission's Second Thursday policy,[7] that Cote would not have any part in the proposed operation of KOLA and that Cote would not benefit from the sale proceeds. However, to insure that Cote would not receive any benefit, Stanfield was required, as a condition to the grant, to provide a full

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[7] See paragraph 16, infra.

accounting of the proceeds of the sale within 90 days after consummation.

6. Finally, in response to numerous other allegations raised by Jones against approval of the assignment of KOLA to Inland, the staff found that: (1) Jones had failed to establish that the parties to the proceeding had not provided required documents or other information to the Commission; (2) Jones's allegation of "fraudulent" EEO reports being filed by Inland for another station it owns were adequately rebutted; (3) documents allegedly missing from the public file were made available to Jones subsequently and that, in any event, a public file violation of this nature was not sufficient to bar an assignment; and (4) allegations of the broadcast of indecent material were insufficiently supported by Jones. Accordingly, the staff denied Jones's Petition to Deny and granted the assignment of KOLA from Stanfield to Inland.

7. Jones's Petition for Administrative Review. Jones

raises two issues in his Petition for Administrative Review with respect to the assignment of KOLA to Stanfield as Receiver.[8] Jones first contends that KOLAI, Cote, and Anaheim/SBR/Inland "worked on a collusive basis to have

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[8] Jones also raises a third argument that Cote attempted to flee prosecution on June 1, 1991, by traveling under an assumed identity to Hawaii, where he was arrested on September 17, 1991, and that during that time, he had "abandoned the license of KOLA-FM," so that Cote had no license to assign to Stanfield. This issue was not mentioned in Jones's July 25, 1994, Petition for Reconsideration nor in any reply or other responsive pleadings, nor was it passed on by the staff in the June 29 Letter Decision." Jones had raised this "abandonment" contention in an earlier proceeding in connection with his October 23, 1992, Petition to Deny the application for assignment of the KOLA license from KOLA, Inc., to SBR Broadcasting Corp., file No. BALH-920921HJ. As noted above at note 5, supra, that application was dismissed by the Commission on July 27, 1994. Although Jones had the opportunity to raise this issue again in his July 25, 1994, Petition for Reconsideration, he did not do so, and his attempt to do so at the application for review stage in this proceeding is untimely. See 47 C.F.R. Section 1.115(c). Nor do Jones's allegations raise an issue of substantial public interest improtance warranting our consideration of the issue notwithstanding these serious procedural infirmities. Thus, we will not consider the argument further.

a receiver appointed to avoid designation of the assignment application for hearing." Second, Jones contends that there was a premature assumption of control by Stanfield at the time of his appointment as receiver, prior to the grant of assignment application two months later.

8. Jones's Petition for Reconsideration. Jones raises four issues in his Petition for Reconsideration of the assignment of KOLA to Inland.[9] First, Jones claims the staff lacked the delegated authority to resolve the issue he alleged in his Petition to Deny that SBR submitted "fraudulent EEO reports for its Station KCAL-FM, Redlands, California. Second, Jones asserts that the assignment to Inland would vio-

[9] Jones also raises the "abandonment of license: argument in the Petition for Reconsideration. Again, while Jones raised this allegation in a previous proceeding regarding the 1992 application to assign KOLA from KOLAI to SBR, this allegation was not raised in Jones's August 15, 1994, Petition to Deny the assignment to KOLA to Inland. This argument is untimely raised at this point in the proceeding and will not be considered. See 47 C.F.R. Section 1.106(c) and note 8, supra.

late the Second Thursday policy. Third, Jones alleges that KOLAI engaged in an unauthorized transfer of control of KOLA to SBR through the implementation of a local marketing agreement with SBR while Cote was in prison awaiting trial. Finally, Jones repeats his allegation that KOLAI, Cote, and Anaheim/SBR/Inland "colluded" to obtain the appointment of the receiver for KOLAI, in order to "perfect" the Anaheim security interest in the KOLA license.

9. Inland's Application for Review. Inland filed an Application for Review of the staff's December 13 Letter to the extent that it granted Jones's December 4, 1995, Petition for Reconsideration of the staff's October 27 Letter dismissing Jones's August 7, 1995, Petition for Reconsideration of the grant of the application to assign KOLA to Inland. The October 27 Letter had dismissed both the Petition for Reconsideration and the Petition for Administrative Review because the Bureau could not determine that either pleading had actually been filed by the August 7, 1995, deadline, rather than August 10, 1995, which was when copies

of those pleadings labeled by Jones as "Revised" were received by the Commission./[10] Inland contends first that Jones did not provide adequate proof that the Petition for Reconsideration and Petition for Administrative Review were timely filed, since he supplied only a Federal Express receipt and not date-stamped copies of the pleadings. Second, Inland contends that Jones's December 4 Petition for Reconsideration was itself not timely filed, because the Commission's November 2, 1995, descriptive Public Notice of the October 27 Letter did not contain an adequate description of the action taken with respect to the Petition for Reconsideration of the grant to Inland.

DISCUSSION

Jones's Petition for Administrative Review

10. Jones's Petition for Administrative Review suffers from numerous fundamental procedural failures, and we will dismiss it for this reason. First, on our own mot-

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[10]/ See notes 2-4, supra.

ion, we find that the staff erred in finding that Jones had standing to file his initial August 4, 1994, Petfor Reconsideration of the grant of the assignment to Stanfield, in light of Jones's failure to file an objection to that assignment before it was granted. Section 1.106(b)(1) of the Rules, 47 C.F.R. Section 1.106(b)(1), requires that "[i]f the petition [for reconsideration] is filed by a person who is not a party to the proceeding, it shall state with particularity the manner in which the person's interest are adversely affected by the action taken, and shall show good reason why it was not possible for him to participate in the earlier stages of the proceeding." (Emphasis added). The Form 316 assignment application was filed May 13, 1994, and public notice of the filing was given on May 26, 1994. See Public notice, Report No. 15814, released May 26, 1994. Jones's July 25, 1994, Petition for Reconsideration did not attempt a showing as to why he could not have filed a timely objection to this assignment. For this reason, Jones's July 25, 1994, Petition for Reconsideration of the grant to Stanfield should have been dismissed without consideration. In addition, the Petition for

Administrative Review is itself procedurally deficient because it fails to comply with the Commission's requirement that such requests for Commission review set out both the specific questions presented for review and the nature of the alleged errors made by the delegated authority. See 47 C.F.R. Sections 1.115 (b)(1),(2). For these reasons as well, the Petition for Administrative Review will be dismissed. Notwithstanding the formal dismissal of Jones's Petition for Administrative Review, we will address the merits of the issues raised in Jones's Petition for Administrative Review, to the extent that such issues were properly raised before the Bureau as required by Section 1.115(c) of the rules (see note 8, supra).

11. Collusion in the Appointment of the Receiver. Jones argues in the Petition for Administrative Review that various parties colluded to have Stanfield appointed as receiver of the assets of KOLA, Inc. We agree with the staff's resolution of this issue as set forth in the Letter Decision. Stanfield was appointed Receiver of the assets of KOLAI at the request of Anaheim by the Superior Court of the State of

California. In addition, the Superior Court for the State of California, County of San Francisco, has denied Jones's separate attempts to challenge the appointment of Stanfield as Receiver./[11] The Commission does not have the expertise or jurisdiction to challenge a state court's finding that the appointment of a receiver was appropriate in a particular case, and Jones has presented nothing to warrant departure from the Commission's policy of deferral to the state courts in determining the legitimacy of a receivership appointment. See H. Edward Dillion, 42 FCC 2d 203, 205 (1973). If Jones believe that Cote and KOLAI are "alter egos" and that applicable state laws have been violated in the receivership proceeding, Jones must pursue those allegations in state court rather than at the Commission. See Arecibo Radio Corp., 101 FCC 2d 545, 550 n. 12 (1985) (Commission policy "is to accommodate state and local court decrees adjudicating disputes

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[11]/ Copies of the Court's orders denying Jones's challenges to the appointment of the Receiver were attached as Exhibit A to Stanfield's December 9, 1994, Motion for Expedited Action, and Exhibit A to Stanfield's February 2, 1995, Supplement to Reply to Opposition for Expedited Action.

over contract and property rights, unless a public interest determination...compels a different result."). Thus, Jones's request that we intervene on this issue will be denied.

12. Premature Assumption of Control. Jones[] also argues that Stanfield prematurely assumed control of Station KOLA immediately upon his appointment as Receiver on April 21, 1994, rather than waiting until the application for assignment to Stanfield was granted on June 21, 1994. This contention was based on the language of the Superior Court's Order appointing Stanfield which directed him to "...take possession of...[a]ll assets...owned by KOLA, Inc., including...all licenses...issued to KOLA, Inc. by the Federal Communications Commission..." While Jones contends that this language provides "irrefutable" proof of the alleged premature takeover by Stanfield, in fact, Stanfield completely refuted that claim./[12] Stanfield, in response

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[12]/ We note that Stanfield has argued, in his Opposition to Petition for Administrative Review, that this issue was not timely raised by Jones and was thus improperly considered by the staff. Specifically, Stanfield argues that this issue was first raised b Jones in his January 28, 1995, Petition for Expedited Action, filed well after the deadline for fil-

to this allegation, noted that several individuals who were in fact involved in the operation of KOLA during this period had previously filed declaration asserting that the only action Stanfield took prior to the Commission's grant of the assignment to Stanfield was conducting an inventory of KOLAI's assets, as required by the local court./[13] In addition, Stanfield supplied a copy of a letter he sent to KOLAI's General Manager dated April 26, 1994,/[14] stating that although the Court's April 21 order suggested that he was to take "possession" of the KOLAI licenses immediately, he was aware that he could not do so until after Commission approval, and he specifically disavowed any intention to take control of the stations' pro-

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ing petitions for reconsideration of that grant. While a strict reading of Section 1.106(f) of the Rules, 47 C.F.R. Section 1.106(f), supports Stanfield's position, we will nonetheless address the issue because the staff had an opportunity pass on it (and did so) in the Letter Decision. See 47 C.F.R. Section 1.115(c).

[13] / These declaration, from Frederick Cote, John Lego (the General Manager of KOLA at that time), and Gary Schwartz (KOLAI's counsel), were filed in the companion proceeding for assignment of KOLA from Stanfield to Inland, as attachments to Inland's Opposition to Petition to Deny filed September 20, 1994.

[14]/ See Exhibit A to Stanfield's February 16, 1995, Reply to Petition for Expedited Action.

gramming, personnel, or technical operations until after such a Commission grant. Other than the language of the court's receivership order, which alone does not establish that Stanfield prematurely assumed control of KOLA, Jones presented no evidence which would establish that Stanfield assumed control of the station prior to the Commission's grant of the assignment application. We concluded that Jones failed to present a substantial question of material fact whether Stanfield prematurely assumed control of Station KOLA prior to Commission authorization.

Jones's Petition for Reconsideration

13. False Employment Reports. The first argument raised in the Petition for Reconsideration of the grant of the assignment from Stanfield to Inland is that SBR, which like Inland is a wholly-owned subsidiary of Anaheim, filed inaccurate annual employment reports in 1991, 1992, and 1993 for SBR's Station KCAL-FM, Redlands, California. According to Jones, the letter Decision rejected a "documented allegation" that SBR filed "fraudulent EEO reports" and the Mass

Media Bureau does not possess delegated authority to issue rulings in such cases. This contention is based on Section 0.2839b0 of the Commission's Rules, 47 C.F.R. Section 0.283(b), which states that the Bureau must refer petitions and other objections to the Commission if they present "documented allegations of failure to comply with the Commission's equal employment opportunity rules and policies."

14. We find that it was within the Mass Media Bureau's delegated authority to rule on Jones's allegations that SBR filed "fraudulent" EEO reports. The crux of this allegation is Jones's contention that Dawn Ortiz, who had been identified in KCAL-FM's annual employment reports as an Hispanic, may actually have been a woman formerly named Dawn Lewis, a Caucasian. This theory was premised on documents showing that a woman formerly named Dawn Lewis married a man named Ricardo Ortiz in 1981. Jones offered no affidavit or other proof that Dawn Lewis and Dawn Ortiz are the same person, but only speculated that "[i]f Mrs. Ortiz is the former Dawn Michelle Lewis, the last 3 annual reports (1991-1993) submitted to the Commission by 'SBR' contain fraudulent information." (Em-

phasis added). Such speculation cannot be considered a "documented allegation of failure to comply with the Commission's Equal Employment Opportunity rules and policies" and does not require referral to the Commission under the Bureau's delegated authority rule, Section 0.283(b). Jones did not submit any affidavit or declaration under penalty of perjury from any person having person knowledge of the facts alleged, i.e., that Dawn Ortiz was in fact Dawn Lewis and not an Hispanic. See 47 U.S.C. Section 309(d). Inland, in response, submitted a sworn declaration of SBR's Chief Financial Officer in which he stated unequivocally that Dawn Ortiz is not the former Dawn Michelle Lewis. For essentially this same reason, the Bureau properly rejected on the merits Jones's allegation that SBR filed false annual employment reports.

15. Pursuant to the decision in Astroline Communications Co. Limited Partnership v. FCC, 857 F.2d 1556 (D.C. Cir. 1988), if the Commission determines that the petitioner's allegations, if true, provide a prima facie basis to preclude a public interest finding that the contested applica-

tion should be granted, we must then determine whether a substantial and material question of fact has been raised" 'on the basis of the application, the pleadings filed, or other matters which it may officially notice....'" id. at 1561. In the present case, Jones's allegations, unsupported by any affidavit of a person having personal knowledge that Dawn Ortiz was previously known as Dawn Lewis or is not Hispanic, cannot be considered sufficient to establish a prima facie showing under the first leg of the Astroline test. See 47 U.S.C. Section 309(d). See also Beaumont Branch of the NAACP v. FCC, 854 F.2d 501 (D.C. Cir. 1988) (explaining that a petition to deny "must show the necessary specificity and support; mere conclusory allegations are not sufficient."); Texas RSA 1 limited Partnership, 7 FCC Rcd 6584, 6585 (1992) (finding that a petition to deny failed to establish a prima facie case where the petitioner's pleadings were "replete with conclusory allegations unsupported by specific facts)"; KRPL, Inc., 5 FCC Rcd 2823 (1990) (finding that a newspaper article which quoted a broadcast applicant's controlling principal as stating that he "may need local

investors" did not present facts sufficient to establish a prima facie case that the applicant was not financially qualified or lacked candor in certifying to its financial qualification at the time of filing). Moreover, Jones's speculative allegations were completely answered and contradicted by the sworn declaration of SBR's Chief Financial Officer, Douglas Iida, who stated that based on his personal knowledge, Dawn Ortiz was not formerly Dawn Lewis, and is indeed Hispanic. Thus even if Jones's allegation has been sufficient to establish a prima facie showing (and they are not), there would remain no substantial and material question of fact as to whether SBR had falsely reported Ms. Ortiz as an Hispanic. See Mobile Comunications Corp. of America v. FCC, 77 F.3d 1399, 1410 (D.C. Cir. 1996) (holding that negative resolution of question as to whether substantial and material question of fact is presented renders moot the question of whether a prima facie case has been raised by a petition to deny).

16. Second Thursday Policy. Jones next seeks reconside-

ration of the holding set forth in the Letter Decision that the grant of the assignment application is consistent with the Commission's policy established in Second Thursday Corp., 22 FCC 2d 515, 516, recon. granted, 25 FCC 2d 112 (1970). As a matter of general policy, the Commission will not approve an assignment or transfer application where a licensee's qualification to continue holding the license are at issue. Jefferson Radio v. FCC, 340 F.2d 781 (D.C.Cir. 1964). If, after hearing, a licensee is found not qualified, there will be no license to assign. However, in Second Thursday, the Commission established an exception to this general policy. In that case, a licensee in hearing on qualifcation issues was forced into bankruptcy, and the bankruptcy trustee sought to assign the license to a new party. The Commission determined that the license could be assigned where the individuals charged with the misconduct: (1) would have no part in the proposed operations, and (2) would derive no benefit from the grant of the application or would receive only a minor benefit which would be outweighed by equitable considerations in favor of innocent creditors. 22

FCC 2d at 516.

17. The Second Thursday policy has been applied many times, including in cases involving receivership and foreclosure actions initiated under state law. See, e.g., J. C. Bell, 10 FCC Rcd 4916 (1995)); New South Broadcasting, Inc., 8 FCC Rcd 1272 (1993); Davis Broadcasting Co., 67 FCC 2d 872 (1977); Hertz Broadcasting of Birmingham, Inc. 57 FCC 2d 183 (1976). Although KOLAI owner Frederick Cote was convicted of murder, the Bureau was correct in approving the assignment to Inland in this case because the parties made a sufficient showing to warrant application of the Second Thursday policy. Jones contends as a preliminary matter that it was improper to apply the Second Thursday policy to this case because KOLAI was not in bankruptcy but rather in a foreclosure proceeding in which a receiver was appointed./[15] However, the Commission has applied the Second Thursday policy in both bankruptcy and receivership cases, as long as the appropriate showing is made that the two-prong test for application of

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[15]/ Jones thus faults the staff's reliance on J. C. Bell, supra, 10 FCC Red 4916, because in that case the former licensee was in Chapter 7 bankruptcy liquidation.

the policy has been met. See, e.g., Davis Broadcasting Co., Inc., supra, 67 FCC 2d 872, 874; see also Radio Management Services, Receiver, 7 FCC Rcd 2959, 2960 note 9, 2961 (1992). Unlike a bankruptcy, in a receivership, there may not be court supervision of the disposition of assets. Therefore, the Commission may need additional assurance that the wrongdoers will not receive a benefit inconsistent with the Second Thursday policy. It is for this reason that the staff properly conditioned the present assignment on the post-closing submission by the Receiver of a statement verifying that in the final disposition of KOLAI's assets, Cote did not in fact receive any benefit. With this added protection, the staff properly assured that application of the Second Thursday policy to this receivership situation was consistent with the policy.

18. With respect to the specific application of the first prong of the Second Thursday criteria in this case, it is uncontested that Cote will play no role in the operation of KOLA after the assignment to Inland. Jones does contend, however, that the Bureau erred, under

the second prong, in finding that Cote would not receive any benefit from the $5 million purchase price for the station. Jones asserts that Cote received the benefit of a $400,000 loan which KOLAI provied to Cote in 1992 from the proceeds of a $500,000 loan that Anaheim made to KOLAI at that time. In addition, Jones contents that a $2.5 million payment to Cote's former wife under a court order pursuant to their divorce, to be paid from the proceeds of the sale, was a benefit to Cote because that payment represents a personal debt obligation of Mr. Cote to his ex-wife, from which he will thus be relieved. Further, according to Jones, the former Mrs. Cote may not be an "innocent creditor" because it was possible that she had divorced him in order to obtain that payment.

19. The staff correctly found that the instant assignment would not result in a direct or indirect benefit to the wrongdoer, Frederick Cote. Inland and Stanfield provided sworn declarations that the current and contingent liabilities of the Receiver exceeded $2.5 million, and that Jane Cote, Frederick Cote's former

wife, was entitled to half the purchase price, $2.5 million, under California's community property law. Frederick Cote would therefore not receive any of the $5 million purchase price./[16] In addition, the $400,000 loan that Cote received from KOLAI in 1992 was not part of the proceeds from the purchase price of KOLA and thus cannot be considered to be a benefit to Cote resulting from this sale. Anaheim had loaned KOLAI $500,000 in 1992, and KOLAI in turn loaned $400,000 of that amount to Cote, which he used to pay for his criminal defense attorneys. However, the initial loan from Anaheim to KOLAI was not a "down payment," but rather a secured twelve month loan that was separate and apart from the purchase price, and was required to be repaid to Anaheim whether the sale to SBR or Inland or some

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[16]/ As a condition to the grant of the assignment to Inland, Stanfield was required, pursuant to the Second Thursday policy, to provide the Commission within 90 days of the closing a sworn statement demonstrating that Cote has received no benefit or value from the KOLA transaction, including an accounting of the disposition of the assets of KOLAI, and including the proceeds of the sale to Inland. the assignment was consummated on July 15, 1995, and Stanfield filed the required accounting on October 12, 1995. the staff's review of this filing confirms that Cote did not receive any proceeds of the sale.

third party was consummated or not. In addition, as established by sworn declaration from an officer and counsel for KOLAI, Gary N. Schwartz,/[17] the subsequent loan from KOLAI to Cote will not be forgiven upon the sale of the station and will remain a personal liability of Mr. Cote's to KOLAI. Mr. Schwartz further attested that after the sale of the station KOLAI will continue to be a corporate entity that is half owned by Mr. Cote's former wife, and she thus has an interest in the repayment of this loan. We conclude that Cote's receipt of the loan from KOLAI 1992 out of funds lent to KOLAI by Anaheim was not a benefit to him from the assignment of the station to Inland.

20. We also reject Jones's contentions that the payment of half the purchase price to the former Mrs. Cote is a benefit to Mr. Cote by satisfying his personal debt to her, or that Mrs. Cote might not be an innocent creditor. First, the payment of half the sale proceeds to Jane Cote did not represent a satisfaction of Mr.

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[17]/ Mr. Schwartz's Declaration was submitted as Exhibit D to Inland's September 20, 1994, Opposition to the Petition to Deny.

Cote's personal obligation to his ex-wife. Rather, Mrs. Cote held 50% equity ownership in KOLAI under California's community property law,/[18] and she was essentially in the shoes of an innocent shareholder or partner. Therefore, the payment of sale proceeds to Mrs. Cote was in satisfaction of her joint ownership right rather than a discharge of any debt from Mr. Cote to Mrs. Cote./[19] The Second Thursday policy does not bar such innocent owners from receiv-

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[18]/ California Family Law Code, Section 700 et seq. and Section 2500 et seq. the "Stipulation and Order Thereon re: Sale of Business and Distribution of Funds" issued June 4, 1992, by the Superior Court for the County of Riverside in the Cote divorce proceeding (a copy of which was appended to Jones's Petition to Deny as Exhibit 12) states at paragraph 2 that Frederick Cote's interest in KOLAI is community property, the proceeds of which were to be divided between Mr. and Mrs. Cote upon the sale of the station. This division of property order thus reflects Mrs. Cote's 50% equity ownership of KOLAI rather than a personal obligation of Mr. Cote to Mrs. Cote. Further, if there is no sale of the station, Mrs. Cote receives no sale proceeds.

[19]/ In this respect, this case differs substantially from those cited by Jones in his Petition for Reconsideration. Capital City Communications, Inc., 33 FCC 2d 703 (1972), and Mid-State Broadcasting Co., 61 FCC 2d 196 (1976). In those cases there was evidence that the wrongdoers would receive substantial indirect benefits through the satisfaction of their large personal obligations on loans to creditors who were to be satisfied from the proceeds of the sale.

ing excess proceeds of the sale after creditors are satisfied. See KOZN FM Stereo 99 LTD., 5 FCC Rcd 2849, 2850 (1990). With respect to the further allegation that Mrs. Cote may have contrived her "separation, divorce and subsequent marriage" in order to defeat Commission policy," or that she otherwise was not an "innocent creditor," Jones has presented no evidence to support his speculation as to Mrs. Cote's collusion or other alleged lack of innocence.

21. Unauthorized Transfer of Control to SBR. Jones's next contention is that KOLAI engaged in an unauthorized transfer of control of Station KOLA(FM) upon entering into a Local Marketing Agreement with SBR on June 5, 1992. Under that LMA, SBR began providing programming to KOLA. In his Petition for Reconsideration, Jones very briefly alludes to his argument the LAM, in combination with a security purchase agreement between KOLAI and SBR entered the same date, gave SBR de facto control over the operations of KOLA. The only substantive "evidence" in support of this allegation contained in Jones's present Petition for Reconsideration is a quotation from

a February 1992 declaration of Frederick Cote, in which he apparently stated that he did not then have control over his assets due to his incarceration. However, as pointed out by Inland in its August 22, 1995, Opposition to the Petition for Reconsideration, Cote's quoted declaration was executed several months before SBR entered into the LMA and loan agreement with KOLAI. Jones's Petition for Reconsideration provides no new facts or argument on this issue. We affirm the holding of the Letter Decision at pages 6-7 that Jones has not provided evidence sufficient to rebut the sworn declaration submitted by Inland and Stanfield that KOLAI had retained control over the station's, finances, personnel, and programming during the period that the LMA was in effect. The terms of the LMA provided that ultimate station control would remain with KOLAI, and the record does not indicate any conduct by the parties that is inconsistent with these terms. Nothing in Jones's Petition for Reconsideration warrants modification of the staff's conclusions on this issue.

22. Collusion in the Appointment of the Receiver.

The final issue raised by Jones in his Petition for Reconsideration of the grant of the assignment to Inland is that various parties colluded to have Mr. Stanfield appointed receiver of the assets of KOLAI, in order to avoid having a character issue designated against the KOLAI licenses. This same issue was raised by Jones in his Petition for Administrative Review of the grant of the assignment to Stanfield. As discussed above at paragraph 11, supra, Stanfield was appointed Receiver by order of the Superior Court of the State of California, San Francisco County, and Jones's efforts to challenge that appointment in Superior Court have been rejected by that Court. For the reasons set forth in paragraph 11, generally we will not second-guess the local court of competent jurisdiction regarding the legitimacy of a receivership appointment. In this case, Jones[] has not justified departure from this long-standing policy of deference to local courts on these matters. We affirm the staff's conclusion on this issue as set forth in the Letter Decision.

Inland's Application for Review

23. Inland filed an Application for Review of the staff's December 13 Letter to the extent that it granted reconsideration of the October 27 Letter's dismissal of Jones's August 7, 1995, Petition for Reconsideration of the grant of the assignment to Inland. The staff's October 27 Letter had dismissed both the Petition for Reconsideration and the Petition for Administrative Review because the Bureau could not determine that either pleading had actually been filed by the August 7, 1995, deadline, rather than August 10, 1995, which was when copies of those pleadings labeled by Jones as "Revised" were received by the Commission. Inland raises two points of alleged error by the staff. First, Inland claims that Jones, in his December 4, 1995, Petition for Reconsideration of the dismissal of his August 7 pleading, did not provied adequate proof of the timely filing of those pleadings by the August 7 deadline, because he supplied only a Federal Express document showing receipt by the Commission on August 7, rather than date-stamped copies of the pleadings. We need not reach the question of the adequacy of Jones's proof of timely filing of the two documents because the staff has subsequently located previously

misfiled copies of the original versions of the August 7 Petition for Reconsideration and Petition for Administrative [R]eview, both bearing the Commission's mail room stamp of August 7, 1995.

24. Inland's second contention is that Jones's December 4, 1995, Petition for Reconsideration of the dismissal of his August 7 Petition for Reconsideration was late-filed, because a November 2, 1995, Public Notice of the October 27 Letter only included a description of the dismissal of Jones's Petition for Administrative Review of the grant to Stanfield and did not include a description of the further action in the October 27 Letter dismissing the Petition for Reconsideration of the assignment to Inland. According to Inland, because there was no descriptive Public Notice of the dismissal of the Petition for Reconsideration, Section 1.4 (b)(5) of the rules require that public notice of that action was deemed to have been provided on the date of the October 27 Letter itself, thus requiring that a Petition for reconsideration of the grant of the Inland assignment was due by November 27,1995. We do not agree with Inland's narrow reading

of the relevant provisions of Section 1.4(b) of the Rules. Section 1.4(b)(4) establishes that "[i]f the full text of an action document is not to be released by the Commission, but a descriptive document entitled 'Public Notice' describing the action is released, the date on which the descriptive 'Public Notice' is released" shall constitute the date of public notice. In this case, there was a single "action document," the October 27 Letter, which contained pronouncements regarding more than one "action." However, "action documents" commonly contain several discrete "actions" by the Commission, including rulings on various ancillary motions and petitions, and the release of a descriptive "Public Notice" describing the primary action does not create a separate filing for a party seeking reconsideration or review of another action contained in the same order. In this case, the omission of a description of the second action taken in the October 27 Letter cannot reasonably be construed to result in a separate, earlier filing deadline for the action not specifically described.

Most fundamentally, Inland misconstrues the role of the public

notice process in preserving a party's right of review of agency actions. A public notice which initiates the thirty-day period for seeking review or reconsideration is "adequate only if it alerted interested parties to documents which would allow them to determine whether their interests were implicated." Hispanic Information and Telecommunications Network v. FCC, 865 F.2d 1289, 1295 (D.C. Cir. 1989). Moreover, the Court has recognized that the Commission has wide latitude regarding the information included in a public notice, provided that the notices give "fair warning" of the scope of the described action. See Ridge Radio Corporation v. FCC, 292 F.2d 770, 773 (D.C. Cir. 1961). The public notice of the October 27 Letter was sufficient to permit someone exercising reasonable diligence to identify and locate this document. See Thomas W. Tittle, 5 FCC Rcd 1196, 1197 (1990) (interested parties must exercise reasonable diligence in reviewing public notices). Accordingly, this descriptive document constituted "public notice" of all actions contained in the October 27 Letter, for these reasons, we conclude that Jones's December 4, 1995, Petition for

Reconsideration of the dismissal of his August 7 Petition for Reconsideration was timely filed, and Inland's Application for Review will be denied.

26. Accordingly, IT IS ORDERED that the Petition for Administrative Review filed on August 7, 1995, by Joseph D. Jones, with respect to the grant of the assignment of license of Station KOLA(FM) from KOLA, Inc., to Ray M. Stanfield, Receiver (File No. BALH 940513EC), IS DISMISSED; that the Petition for Reconsideration filed by Joseph D. Jones on August 7, 1995, with respect to the grant of the assignment of the license of Station KOLA(FM) from Ray M. Stanfield, Receiver, to Inland Empire Broadcasting Corporation (File No. BALH 940706(GP), IS DENIED; that the Application for Review filed by Inland Empire Broadcasting Corporation on January 16, 1996, with respect to the Letter of the Chief, Audio Services Division, to Joseph D. Jones, dated December 13, 1995, Reference 1800B2-RHW, IS DENIED; that the grant of the application for assignment of the license of Station KOLA(FM), San Bernardino, California, from KOLA, Inc., to Ray M. Stanfield, Receiver (File No. BALH-940513EC),

IS AFFIRMED; and that the grant of the application for assignment of the license of Station KOLA(FM), San Bernardino, California, from Ray M. Stanfield, Receiver, to Inland Empire Broadcasting Corporation (File No. BALH-940706GP) IS AFFIRMED.

FEDERAL COMMUNICATIONS COMMISSION

William F. Caton
Acting Secretary